

Division of Workforce Development

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Tom Jones
Director

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DWD Issuance 02 – 00

Subject: Technical Assistance on Includable/Excludable Income

1. Purpose: To transmit DWD's Technical Assistance on the subject of Includable and Excludable Income as it relates to eligibility for youth services and priority for adult services.
2. Substance: Attached herein is the Division of Workforce Development's Technical Assistance on the subject of Includable and Excludable Income. 20 CFR 664.200 (the Workforce Investment Act; Final Rules) requires that eligible youth be low-income individuals. In addition 663.600 requires that when funding is generally limited, priority for intensive and training services for those funded with adult funds must be given to public assistance recipients and other low income individuals.

Sec. 101 (25) of the Workforce Investment Act defines Low-Income Individual as:

“an individual who—(A) receives or is a member of a family that receives, cash payments under a Federal, State, or local income –based public assistance program; (B) received an income, or is a member of a family that received a total family income, for the 6-months prior to application for the program involved (exclusive of unemployment compensation, child support payments, payments described in sub-paragraph (A), and old-age and survivors insurance benefits received under section 202 of the Social Security Act (42 U.S.C. 402) that, in relation to family size, does not exceed the higher of—

- (i) the poverty line, for an equivalent period; or
- (ii) 70% of the lower living standard income level, for an equivalent period;

(C) is a member of a household that receives (or has been determined within the last 6-month period prior to application for the program involved to be eligible to receive) food stamps...

(D) qualifies as a homeless individual...

(E) is a foster child on behalf of whom State or local government payments are made; or

(F) in cases permitted by regulations promulgated by the Secretary of Labor, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or of subparagraph (B), but who is a member of a family whose income does not meet such requirements.”

For purposes of determining if an applicant for youth services or an adult who is not a dislocated worker and is seeking intensive and/or training services meets the definition of low-income individual, the following income sources are determined to be includable:

- Wages (applicant),
- Wages (mother, father or spouse),
- Other wages (siblings or other individuals adding to the family income)
- Other personal or family income (net self employment income, money from rents, alimony, and regular income from insurance policy annuities, strike benefits from union funds, workers compensation, training stipends, disability insurance payments, dividends, interest, periodic receipts from estates or trusts, winnings from contests and/or lotteries and other taxable income),
- Regular retirement, disability and/or death benefits,
- Student grants (non-Needs-Based),
- Pensions (whether private or government employee).

The following income sources are determined to be excludable:

- Veterans payments (education, disability, one time death),
- Military pay,
- Unemployment Compensation,
- Child support/foster payments,
- Public cash assistance (TANF, SSI, RCA & G A)
- Loans, Pell Grants and needs-based grants and scholarships,
- Social Security (OASI).

For purposes of determining family income the term “Family” means, one or more persons living in a single residence who are related to

- each other by marriage, adoption, birth or guardian status. A stepchild or stepparent shall be considered to be related by marriage.
3. Action: Local areas should follow these guidelines in determining whether a participant is eligible for youth services or priority for adult services under WIA.
 4. Contact: If you have any questions regarding this issuance, please contact Lindell Thurman, Manager, Field Services (573) 751-7895.
 5. Cross/
Historical: Workforce Investment Act and associated federal regulations.

Tom Jones, Director

TJ/LT/TR/bba

cc: John Cope
Assistant Directors
DWD Managers